



STATE OF WASHINGTON

## ECONOMIC AND REVENUE FORECAST COUNCIL

*Capital Plaza Building, PO Box 40912 • Olympia, Washington 98504-0912 • (360) 570-6100*

FOR IMMEDIATE RELEASE

**For further information, contact  
Dr. ChangMook Sohn  
(360) 570-6105**

OLYMPIA, June 15, 2006 --- The June revenue forecast update reflects a slightly stronger U.S. economic outlook as well as better than expected job growth in Washington during the first four months of 2006. The main reason for the large revenue forecast increase is very strong revenue collection experience during the four months since the last forecast was released. Once again, construction and real estate related revenue sources accounted for the majority of the forecast increase.

The June 2006 General Fund-State revenue estimate for the 2005-07 biennium is \$26,967.0 million. The new forecast is \$523.9 million more than expected in February of which \$135.5 million is due to higher than expected revenue collections during the last four months. The forecast for the 2007-09 biennium is \$29,463.3 million, which is \$435.6 million higher than expected in February. The forecast changes include a \$5.7 million non-economic increase in 2005-07 and a \$111.9 million non-economic reduction in 2007-09.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2005-07 biennium. The forecast based on more optimistic economic assumptions netted \$491 million (1.8 percent) more revenue than did the baseline while the pessimistic alternative was \$566 million (2.1 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$68 million (0.3 percent) less revenue than did the baseline forecast.

###